

**Mark Arminio**  
**Testimony Before the**  
**House Energy and Technology Committee**  
**May 24, 2006 9:00 AM**  
**Room 519 House Office Building**

Chairman Nofs and distinguished committee members, thank you for this opportunity to address you. My name is Mark Arminio. I am the President and General Manager of WLNS-TV here in Lansing. Today I come before you as the Chairman of the Michigan Association of Broadcasters Television Issues Committee, to urge you to pass HB 5895 the Cable and Video Competition Act.

The Michigan Association of Broadcasters represents over 300 broadcast stations and 5000 individuals involved in the broadcasting industry.

The board of Directors of the MAB voted unanimously to support HB 5895 and any bill that will offer greater choice and options in entertainment delivery for Michigan Citizens.

Updating the video franchising structure, by creating a statewide application process, will encourage more companies to offer video services by removing barriers to entry and speeding up the application process.

In addition HB 5895 has three provisions that will assure that citizens receive the popular entertainment, information, news and emergency messages from local broadcaster on which they depend.

Page 2 of 2.

The bill contains language to require competitive cable and video service providers to carry all broadcast *radio* and *television* signal(s) in the state and mandates retransmission consent, which allows local broadcasters to receive consideration for carriage of the exclusive franchise they hold to deliver network and local programming. These retransmission agreements, which may or may not include monetary consideration, are often difficult to achieve under the current cable monopoly.

Under this legislation video providers would be required to carry the full digital signal of broadcasters, *without degradation*. This will ensure that the high-quality signals provided by HDTV will be delivered to the consumer along with the additional multicast television channels enabled by the digital conversion.

Some have said we should wait for federal legislation to be past that will settle this issue. Federal Legislation has been introduced, but it will be a long time before it gets passed. It is tied to other national telecommunications issues which will require a great deal of time to settle. Even if it the Federal legislation were to pass, it has a provision to allow states with their own rules to prevail.

Michigan should take the lead and open video delivery to competition. In closing, Michigan broadcasters are strongly behind any legislation that will allow us to serve our audience better. We feel this legislation that opens video competition in Michigan will do just that. Thank you. .



## **MAB Supports Cable and Video Competition Act SB 1197 and HB 5895**

The Michigan Association of Broadcasters is strongly in favor of changes that would offer more competition and provide new ways for Michigan citizens to receive the local programming they want at lower costs.

- SB 1197 and HB 5895, the Cable and Video Competition Act, will allow additional providers to more easily enter the business of home delivery of video and audio entertainment in Michigan.
- This will create more providers to offer more programming to the consumer - including programming from local broadcasters.
- Economic models have proven that more providers drive the cost of video entertainment down for consumers.
- These bills cover both television and radio stations. They contain provisions that are favorable to local broadcasters, including requirements for must carry and retransmission agreements, which allow consideration for local broadcasters from video delivery companies. This protects the exclusive franchise that broadcasters have to deliver network and local programming. These retransmission agreements, which may or may not include monetary consideration, are often difficult to achieve under the current cable monopoly.
- Under this legislation, video providers would be required to carry the full digital signals of broadcasters, *without degradation*. This will ensure that the high-quality signals provided by HDTV will be delivered to consumers without down conversion and additional multicast television channels enabled by the digital conversion are also carried.

### **Here are additional points to consider:**

- In most markets in Michigan there is only one cable TV provider and no competitors. If a broadcaster does not want to accept the retransmission offer from the cable company, the only choice is to be removed from the cable system.
- Consumers are also limited in their choices. Cable rates across the country have more than doubled in the past 10 years. In the Detroit metropolitan area, rates have increased by 21.1 percent since 2002. That is what happens when there is a lack of competition.
- Updating the video franchising structure by creating a statewide application process will encourage more companies to offer video services by removing barriers to entry and speeding up the application time.
- The proposed legislation requires new providers to pay municipalities fees that are equal to what they now receive from cable companies. The claim by municipalities that they will not receive money is false.
- The proposed legislation requires providers to carry not only local broadcasters' signals, but also existing public, educational and governmental (PEG) channels. New providers also will provide financial support to these PEG channels. The claim by the municipalities that they will not have income for their PEG channels is not true.
- We should not let municipalities and cable operators hold Michigan citizens hostage to high rates so that they can maintain their monopolies.

**Please give the citizens of Michigan a break and vote in favor of  
HB 1197 and SB 5895.**